

City of Annapolis

FY 2006 - FY 2011 Capital Improvements Program

Introduction:

The Capital Improvements Program (CIP) is a projection of the City's capital investments plan for a six-year period. Capital investments involve major City projects which normally have long, useful lives. Projects included in the CIP usually fall into one of the following four categories:

1. Acquisition of land for a public purpose.
2. The construction of a significant facility, road or an addition to an existing facility.
3. Non-recurring rehabilitation or major repair to all or part of a facility.
4. Any specific planning, engineering study or design work related to a project that falls in the above three categories.

The recommended CIP includes six years of projected capital needs. The first year of the program will become the capital budget for which project money will be authorized. The remaining five years of the CIP will serve as a financial plan for capital investments. The financial plan will be reviewed each year as the CIP is updated and prepared.

Financing the Capital Budget:

The following funding sources are used to finance the projects presented in the CIP:

- *General Obligation Bonds* - Bonds are the primary source of funding by which capital projects are financed.
- *State Grants* - The City receives state grants for various capital projects, including roads, community facilities, buses and dock repairs .
- *Federal Grants* - Usually for transportation related capital projects, such as the new bus fleet.
- *AA Co. Contributions* - Contributions from Anne Arundel County for projects that serve the need of both City and County residents, usually roads.
- *Contributions* - Funds contributed to a project by a local business or special interest group. This includes developer contributions, which are payments by developers for capital facilities that enhance their property.
- *Community Development Block Grant (CDBG) Funds* - Federal grant funds primarily used to facilitate the production and preservation of low and moderate income housing.
- *Capital Facilities Assessments (CFA)* - A source of funding for Water and Wastewater projects only, these are user fees in the form of connection charges and annual assessments.
- *Operating Funds* - Next to general obligation bonds, operating funds are the largest source of funding for capital projects. In the adopted FY 2006 General Fund operating budget, \$1,082,350 has been

City of Annapolis
FY 2006 - FY 2011 Capital Improvements Program

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budgeted as a pay-as-you-go transfer to the Capital Improvements Program.

Relationship Between the Operating and Capital Budget:

The Operating and Capital budgets of the City of Annapolis have a direct relationship. The cost of operations and maintenance of a new capital project will need to be absorbed in the operating budget. Whenever a capital project is brought on line, operating costs are incurred.

The Operating Budget for the City is for costs associated with providing on-going services to citizens. Some of these operating costs are for salaries, professional services, maintenance costs, supplies and operating capital items. Revenues for the operating budget are generally from taxes, intergovernmental sources and user fees.

The Capital Budget includes expenditures for major capital programs which add to the capital assets for infrastructure of the City. These programs are long-term in nature (over one year) and are usually financed on a long-term basis. The long-term financing is associated with a commitment of operating funds. For example, if twenty year bonds are issued to finance capital needs, the operating funds will need to budget debt service payments for the next two decades. For this reason, it is important to evaluate capital commitments in the context of their long-range operating impact.

Changes From the FY 2006-FY 2011 Proposed to the FY 2006-FY 2011 Adopted Capital Improvements Program

The following tables illustrate changes made between the Mayor's Proposed FY 2006 - FY 2011 Capital Improvement Program and the Council Adopted FY 2006 - FY 2011 Capital Improvement Program. The amounts shown are for project capital costs only, and do not include costs for debt service or operating and maintenance costs.

General Roadway Improvements

(Roadways Project 466)

	<i>Prior Year</i>	<i>FY 2006</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010</i>	<i>Total</i>
Proposed	0	1,223,390	0	0	0	0	0	1,223,390
Adopted	0	1,213,390	0	0	0	0	0	1,213,390

Capital Improvement Program Fund Totals
FY 2006 - FY 2011

<i>Fund</i>	<i>FY 2006 Adopted</i>
General	78,140,770
Water	5,743,800
Sewer	8,406,040
Dock	3,165,000
Transportation	7,492,000
Total	\$102,947,610

The table above, and also the following table, include project capital costs only, and do not include costs for debt service or operating and maintenance costs.

**Capital Improvements Program Summary by Fund
FY 2006 - FY 2011**

<i>Fund by Project Number and Name</i>	<i>Total Amount</i>
<i>General Fund:</i>	
#205 Eastport Fire Station	2,330,000
#220 Police Department Renovation	12,864,000
#344 Bates Athletic Complex Improvements	80,000
#345 Athletic Field Irrigation	270,000
#349 Back Creek Nature Park Improvements	519,250
#350 Truxton Park Improvements	696,000
#351 City Trail Connectors	425,000
#449 Forest Drive Sidewalks & Road Construction	2,588,000
#454 Fleet and Cornhill St. Reconstruction	3,710,700
#455 Smithville and Russell St. Improvements	1,238,000
#456 Greenfield Street Relocation	644,000
#457 Outer West Street Gateway	4,500,000
#458 Forest Drive Enhancements	2,820,000
#459 City Dock Parking Lot Improvements	250,000
#460 Alleyway Reconstruction	305,000
#461 Capital City Undergrounding	9,970,000
#462 Taylor Avenue Improvements	2,395,000
#463 Hilltop Lane Parkway Construction	700,000
#464 Coordinated Traffic Signal Control System	765,430
#465 Eastport Street Improvements	375,000
#466 General Roadway Improvements	1,213,390
#514 Recreation Center	16,700,000

**Capital Improvements Program Summary by Fund
FY 2006 - FY 2011**

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<i>Fund by Project Number and Name</i>	<i>Total Amount</i>
#559 Vehicle Replacement Program	4,800,000
#585 Office Space Aquisition	5,150,000

General Fund - Continued:

#586 Information Technology Program	1,482,000
#645 Annapolis Maritime Museum	1,300,000
#646 Mount Olive Community Life Center	50,000
Total	78,140,770

Water Fund:

#709 Weems Creek Bridge WM	313,650
#711 Emergency Water Connections	120,000
#713 Water Storage Tank	2,524,650
#721 Water Tank Rehabilitation	747,500
#722 New Water Well	600,000
#942 Clear Well Replacement	1,438,000
Total	5,743,800

Sewer Fund:

#705 Second Street Force Main	1,265,000
#706 Pump Station Replacements	1,352,000
#719 Wastewater Pump Replacement Program	355,000
#720 Second Street Sewage Pumping Station	90,000
#998 Sewer Rehabilitation	5,344,040
Total	8,406,040

**Capital Improvements Program Summary by Fund
FY 2006 - FY 2011**

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<i>Fund by Project Number and Name</i>	<i>Total Amount</i>
<i>Dock Fund:</i>	
#712 DNR Facility	250,000
#715 City Dock Bulkhead Replacement	1,500,000
#716 Annapolis Harbor Dredging	970,000
#717 Bulkhead Evaluations	145,000
#723 Boating Facilities Improvement	300,000
Total	3,165,000
<i>Transportation Fund:</i>	
#718 Multi-Modal Traffic Mitigation	7,000,000
#997 Intelligent Transportation Systement	492,000
Total	7,492,000
Grand Total	102,947,610

Capital Improvements Program Funding Summary by Program Area

(In Thousands)

<i>Department and Source of Funding</i>	<i>Total Amount</i>	<i>Prior Years</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010</i>	<i>FY 2011</i>	<i>6 Year Total</i>
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General Government:

Bond Funds	42,400	8,989	16,559	10,243	1,950	3,777	720	162	33,411
Operating Funds	11,254	3,008	2,041	3,100	1,110	600	795	600	8,246
Non City Funds	24,486	3,491	1,582	7,455	3,007	5,348	2,955	648	20,995
Total	78,140	15,488	20,182	20,798	6,067	9,725	4,470	1,410	62,652

Water:

Bond Funds	2,862	683	0	2,179	0	0	0	0	2,179
Operating Funds	2,822	621	1,064	602	251	284	0	0	2,201
Non City Funds	60	0	60	0	0	0	0	0	60
Total	5,744	1,304	1,124	2,781	251	284	0	0	4,440

Sewer:

Bond Funds	6,205	0	0	3,905	2,300	0	0	0	6,205
Operating Funds	2,201	1,298	365	538	0	0	0	0	903
Non City Funds	0	0	0	0	0	0	0	0	0
Total	8,406	1,298	365	4,443	2,300	0	0	0	7,108

Other Enterprise:

Bond Funds	700	0	0	0	0	0	700	0	700
Operating Funds	866	62	654	150	0	0	0	0	804
Non City Funds	9,091	471	2,170	150	0	0	6,300	0	8,620
Total	10,657	533	2,824	300	0	0	7,000	0	10,124

Total Funding:

Bond Funds	52,167	9,672	16,559	16,327	4,250	3,777	1,420	162	42,495
Operating Funds	17,143	4,989	4,124	4,390	1,361	884	795	600	12,154
Non City Funds	33,637	3,962	3,812	7,605	3,007	5,348	9,255	648	29,675
Grand Total	102,947	18,623	24,495	28,322	8,618	10,009	11,47	1,410	84,324